



COMMONWEALTH of VIRGINIA

DEPARTMENT OF SOCIAL SERVICES

November 6, 2003

FOOD STAMP CERTIFICATION MANUAL – VOLUME V

TRANSMITTAL #58

This transmittal contains a policy change that eliminates the evaluation of nonliquid resources for the Food Stamp Program. This change stems from the adoption of options offered states through the Food Stamp Reauthorization Act of 2002. This option allows for the adoption of certain Temporary Assistance for Needy Families (TANF) Program resource exemptions. Effective December 1, 2003, the TANF Program will no longer evaluate resources in the determination of eligibility. Food stamp regulations require that we continue to evaluate liquid resources so we are unable to adopt a policy that totally excludes resources.

The provisions of this transmittal are effective December 1, 2003, for applications and actions effective December 1, 2003. ADAPT reconfiguration for needed changes will be moved to production to meet the December 1 effective date.

A description of the transmittal changes and guidance for maintenance of the certification manual follow. The certification manual and this transmittal are available on the Intranet at <http://www.localagency.dss.state.va.us/divisions/bp/fs/manual.cgi> and on the Internet at http://www.dss.state.va.us/benefit/fs_manual.html.

Remove Page(s)	Insert Page(s)	Significant Changes
Table of Contents Pages i-iv	Table of Contents Pages i-iv	The Table of Contents was revised to delete references to resources.
Definitions Pages 1-2	Definitions Pages 1-2	The uses for the less restricted disability definition were revised to exclude an allowance for the exemption of a vehicle based on the disability of a household member.

Remove Page(s)	Insert Page(s)	Significant Changes
Part III Page i	Part III Page i	The Table of Contents was revised to delete the chapter that addresses specific resource verification requirements.
Pages 3-16	Pages 3-14	The mandatory verification section was revised to address verification of liquid resources that was previously located elsewhere in the chapter. References and requirements for verifying nonliquid resources were deleted.
Part IX Entire Chapter	Part IX Entire Chapter	The chapter on resources was revised to require only an evaluation of liquid resources. The section on exempt resources was revised to identify new exemptions. The specific section that evaluated vehicles was eliminated.
Part XIV Pages 15-16	Part XIV Pages 15-16	The section for determining whether independent verification of information is needed was changed to delete the Division of Motor Vehicles (DMV). Since workers will no longer evaluate vehicles owned by household members, there is no need to perform system checks through the DMV.
Part XXV Pages 27-28	Part XXV Pages 27-28	A clarification was added to the section for local employment and training plan to have local plans show how the FSET allocation will be used over the year.

Remove Page(s)	Insert Page(s)	Significant Changes
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Pages 5-12

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The index was revised to delete references to resources and to revise page listings.



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Director
Division of Benefit Programs

Attachment

ABBREVIATIONS/ACRONYMS

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- B. History of the Food Stamp Program
- C. Issuance Systems and Food Stamp Benefit Use
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Unless otherwise defined in specific chapters of this manual, terms defined in this section shall apply whenever the term is used.

Administrative Disqualification Hearing (ADH) - An administrative disqualification hearing is an impartial review by a hearings officer of a household member's actions to determine whether or not the member committed an Intentional Program Violation (IPV).

Application - The official request for food stamp assistance. An application may be classified as an initial or new application, a reapplication, or a recertification. See also entries for the application classifications.

Disabled Person - The definition of a disabled person that follows must be used for the:

- Determination of group home eligibility;
- Allowance of medical expenses;
- Allowance of unlimited shelter expenses
- Use of net-only income limits in determining income eligibility;
- Evaluation of conditionally-eligible immigrants;
- Allowance of the \$3,000 resource limit;
- Allowance of a 24-month certification period; and
- Exemption from 6-month interim reporting requirements.

A disabled person is one who:

- a. Is certified to receive or is actually receiving Supplemental Security Income (SSI) benefits or disability or blindness payments under one of the following titles of the Social Security Act:
 - 1) Title I, Grants to States for Old Age Assistance and Medical Assistance for the Aged;
 - 2) Title II, Federal Old Age, Survivors, and Disability Insurance Benefits;
 - 3) Title X, Grants to States for Aid to the Blind;
 - 4) Title XIV, Grants to States for Aid to the Permanently and totally Disabled; or,
 - 5) Title XVI, Supplemental Security Income for the Aged, Blind and Disabled.

This includes SSI presumptive disability payments (regular SSI Benefits for a three-month period paid to persons who will most likely meet SSI disability criteria), and SSI emergency advance payments (a single \$100 SSI payment provided to persons who appear to meet the SSI eligibility criteria who are considered in need of immediate assistance).

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- b. Is certified to receive or receives an Auxiliary Grant.
- c. Is certified to receive or receives disability retirement benefits from a governmental agency because of a disability considered permanent under Section 221 of the Social Security Act.
- d. Is certified to receive or receives an annuity payment under Section 2(a)(1)(iv) of the Railroad Retirement Act of 1974 and is determined to be eligible to receive Medicare by the Railroad Retirement Board; or Section 2(a)(i)(v) of the Railroad Retirement Act of 1974 and is determined to be disabled based upon the criteria used under Title XVI of the Social Security Act.
- e. Is a veteran with a service-connected or nonservice-connected disability rated or paid as total (100%), or is considered in need of regular aid and attendance or permanently housebound under Title 38 of the U.S. Code.
- f. Is a surviving spouse of a veteran and considered in need of aid and attendance or permanently housebound or a surviving child of a veteran and considered to be permanently incapable of self-support under Title 38 of the U. S. Code.
- g. Is a surviving spouse or child of a veteran and entitled to compensation for a service-connected death or pension benefits for a nonservice-connected death under Title 38 of the U. S. Code and has a disability considered permanent under the Social Security Act. For the purpose of this chapter, "entitled" means those veterans' surviving spouses and children who are receiving the compensation or benefits stated or have been approved for such payments, but are not receiving them.

For any household member claiming a permanent disability that is questionable, i.e., not apparent to the EW under this item of the definition of disability, the household shall, at the local agency's request, provide a statement from a physician or licensed or certified psychologist to assist the local agency in making a disability determination.

- h. Is a recipient of disability related medical assistance under Title XIX of the Social Security Act.
- i. Is a recipient of Federal Employee Compensation Act (FECA) payments for permanently disabled employees who opt for FECA benefits in lieu of Civil Service Retirement benefits. Temporary FECA payments to people temporarily injured on the job do not satisfy the definition of disability.

A less restrictive definition of disability is used for other policies such as the work requirement, work registration, and student identification and eligibility.

PART III

VERIFICATION/DOCUMENTATION

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- 2) Utility Expenses. The local agency must verify a household's utility expenses if the household wishes to claim expenses in excess of the utility standard or if the household is not entitled to the utility standard, but has allowable utility expenses, provided the expense would actually result in a deduction. If the household does not verify actual utility costs by the 30th day, the agency must allow the utility standard if the household is entitled to it. For households that want to use the utility standard, verification that the household incurs a heating or cooling expense is required only if the information presented by the household is questionable and if the expense would result in a deduction. NOTE: Recipients of Low-Income Home Energy Assistance payments are entitled to the utility standard even if they do not incur direct utility costs.
- 3) Telephone Expenses. For households entitled to claim the telephone standard, verification that the household incurs an expense for a basic rate is required only if the information presented by the household is questionable, and if the expense would result in a deduction.

f. Dependent Care Expenses

For those households claiming dependent care expenses, as described in Part X.A.3., the local agency must verify that the household actually incurs the expense and the actual amount of the expense, if allowing the expense could potentially result in a deduction.

g. Resources

At application and reapplication, the local agency must verify all liquid resources. At recertification and for the evaluation of the Interim Report, the agency must verify changes in liquid resources or newly acquired liquid resources. The agency must verify unchanged information at recertification or for the Interim Report only if the information is questionable.

The agency may obtain verification of liquid resources through checking and savings account statements, clearances sent to banks and savings institutions, credit union statements, etc.

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The EW must aid the applicant if the applicant household requires assistance in providing the necessary verification. In some instances, the EW may assist by contacting collateral contacts.

h. Loans

The agency must verify all monies a household receives that the household reports as loans.

i. Medical Expenses

The local agency must verify the amount of any medical expenses that may be deductible, including expenses that the household expects to incur during the certification period. The agency must also verify amounts for reimbursement of medical costs, such as a reimbursement from an insurance company for a hospital bill. The agency must obtain verification before initial certification if the household indicates the existence of a deduction for a household member who is 60 years of age or older or disabled. For expenses anticipated but not verified at certification, the agency must advise the household that the household will receive the deduction for the expense if the household provides verification during the certification period.

j. Social Security Numbers (7 CFR 273.2(f)(1)(v))

The local agency must verify the Social Security numbers (SSNs) reported by the household by submitting them to the Social Security Administration (SSA) through SVES. The agency, however, must not delay certification of an otherwise eligible household solely to verify a Social Security number even if the 30-day processing period has not expired. As soon as the agency completes all other steps necessary to certify a household, except for verification of the Social Security number, the agency must certify the household.

When the SVES inquiry indicates that SSA is unable to verify the SSN provided by the client, the EW must contact the household to determine if the information the household provided is correct and obtain the correct information, as appropriate. If the information the agency has is correct, but the information SSA has is incorrect, the agency must notify the household that it must resolve the discrepancy with the SSA.

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If the household fails to provide the necessary information that would allow the verification of an SSN, the household member for whom the number is unverified is ineligible.

If a household must provide information or documentation to the local agency or the SSA, the household must complete the action before the next recertification or show good cause why it was unable to do so.

If a household claims it cannot complete required actions for reasons beyond its control, the EW verify the household's inability to cooperate. For example, a household may claim it cannot verify a name change because fire destroyed official records. The EW must verify this claim to the point he/she is satisfied the claim is accurate, i.e., documentation of the name change no longer exists. In these cases an SSN match cannot be accomplished since SSA records cannot be corrected without the missing documentation. If the EW verifies that the household is unable to provide the information needed to verify the SSN, the household member will remain eligible. The case file must adequately document the household's inability to provide the information.

Conversely, if the EW is unable to substantiate the household's claim that it cannot provide the information, the household member will be ineligible.

Appendix I to this chapter contains suggested language for a form that the EW may give to clients who must provide SSA with information or documentation to complete the verification process.

k. Disability (7 CFR 273.2(f)(1)(viii))

Whether the stricter or more relaxed definition of disability is evaluated, disability status of individual household members must be established. If a household fails to verify disability when necessary, the individual in question is not considered disabled.

Work Registration, Student Identification, Work Requirement

A statement from a licensed medical provider is sufficient for the less restrictive standards for these policy areas. Receipt of temporary or permanent disability payments may also be used.

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Separate Household Status for Elderly, Disabled Persons

For elderly, disabled persons who are unable to purchase and prepare meals separately, the agency must first determine the disability and then establish that these persons are unable to purchase and prepare meals because of the disability. The Social Security Administration's list of disability conditions may be used for this evaluation.

If it is obvious that the individual could not purchase and prepare meals because of the disability, the agency must consider the individual disabled even if the disability is not specifically mentioned on the SSA list. If the disability is not obvious, the EW must verify the disability by a statement from a physician or licensed or certified psychologist, along with a statement that, in the doctor's opinion, the disability prevents the individual from purchasing and preparing meals.

Disabled for Determining Eligibility for Group Homes, Medical Expenses, Unlimited Shelter Expenses, Net Income Standards, 24-month Certification Periods, Resource Eligibility, Immigration Eligibility, Exemption from Interim Reporting

Verification of this evaluation of disability, as noted in Definitions, will usually be determined by receipt of or approval for certain income sources or benefits. For example, approval for or receipt of a disability check from the SSA, including SSI, verifies disability.

1. Child Support Payments

A household member's legal obligation to pay child support, the obligated amount of support to be paid, and the amount of child support actually paid must be verified in order to allow a deduction.

Documents which may be used to verify the household's legal obligation to pay child support and the obligated amount include a court or administrative order, or a legally enforceable separation agreement. The actual payment of support may be verified through such methods as cancelled checks, withholding statements from wages or unemployment compensation, statements from custodial parents about direct payments or payments made to third parties, or payment records of the Division of Child Support Enforcement. The same document accepted as verification of the legal obligation to pay child support may not also be used as the verification of the amount of child support actually paid monthly.

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2. Verification of Questionable Information (7 CFR 273.2(f)(2))

Local agencies shall not verify any other factors of eligibility prior to certification unless they are questionable and affect a household's eligibility or benefit level. To be considered questionable, the information on the application must be:

- a. inconsistent with statements made by the applicant;
- b. inconsistent with other information on the application or previous applications; or,
- c. inconsistent with any other information received by the local agency.

When determining if information is questionable, the local agency must base the decision on each household's individual circumstances. A household's report of paid expenses that exceed its income may be grounds for a determination that further verification is required. This circumstance alone may not be grounds for a denial. The local agency must explore with the household how it is managing its finances; whether the household receives excluded income or has resources, and how long the household has managed under these circumstances.

If the agency needs verification to resolve questionable information, the local agency must document why it considered the information questionable. The documentation must also include the verification the agency used to resolve the questionable information.

The definition of questionable information contained in this chapter applies to all references of questionable information throughout this manual.

3. Sources of Verification (7 CFR 273.2(f)(4))

Documentary Evidence

Local agencies must use documentary evidence as the primary source of verification. Documentary evidence means written confirmation of a household's circumstances. Examples include wage stubs, rent receipts, and utility bills. The EW is responsible for determining if the evidence provided is sufficient to determine eligibility. Evidence is sufficient if the agency can derive correct information about the element from the evidence provided. For example, the EW may use the Year-to-Date totals on pay stubs to establish a missing amount.

Although documentary evidence is the primary source of verification, acceptable verification is not limited to any single type of document. The agency may obtain the information through the household or other sources. The local agency must use alternate sources of verification such as collateral contacts and home visits whenever the EW cannot obtain documentary evidence.

To verify residency, a collateral contact, as well as documentary evidence, will serve as a primary source of verification.

When attempts to verify countable income and liquid resources prove to be unsuccessful, the EW must determine an amount to be used for food stamp purposes based on the best available information. The agency may use the household's statement if alternate sources of verification are not available or are uncooperative with the household and the agency.

Example

A farm owner refuses to verify a tenant's income. The local Migrant Seasonal Farmworker's Association (MSFA) or Agriculture Stabilization and Conservation Service (ASCS) may be able to provide information as to what the household member might expect to receive.

Where information from another source contradicts statements made by the household, the household must have an opportunity to resolve the discrepancy prior to an eligibility determination and within the maximum time limits described in Part II.F.

Example

A farm owner reports that the applicant, a tenant farmer, earned a specified amount from the sale of a crop. The applicant reports that this amount is incorrect. If there is no one else to verify the income, and the applicant himself is unable to do so, the agency could use an estimate provided by the Agriculture Stabilization and Conservation Service (ASCS).

Collateral Contacts and Home Visits

A collateral contact is a verbal confirmation of a household's circumstances by a person outside of the household. The person supplying the information may be either in person or over the telephone. Before approval of the initial application/reapplication, the local agency may select a collateral contact only if the household fails to designate one or designates one that is unacceptable to the local agency. Examples of acceptable collateral

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contacts include employers, landlords, social service agencies, migrant service agencies, and neighbors of the household who are able to provide accurate third party verification. If the local agency designates a collateral contact, the agency may not make the contact without prior written or oral notice to the household. At the time of this notice, the agency must inform the household that it has the following options:

- a. Consent to the contact;
- b. Provide acceptable verification in another form; or,
- c. Withdraw its application.

If the household refuses to choose one of these options, the agency must deny the application in accordance with the normal procedures for failure to verify necessary information.

When the EW contacts the collateral contact, the EW must not disclose that the household applied for benefits or share any of the information provided by the household. In addition, the EW may not suggest wrongdoing by the household. The EW may disclose to the collateral contact only that information the contact needs to supply the information the agency seeks.

Systems of records to which an agency has routine access are not collateral contacts and, therefore, the household does not need to designate them. Examples include APECS, BENDEX, SDX, VEC, or the SVES inquiry system.

Before approval of the initial application/reapplication, home visits may serve as verification but only if the agency cannot obtain documentary evidence. The EW must schedule the visit in advance with the household for a time that is acceptable to the household.

Upon approval of the application, the requirements for selection of a collateral contact by the household and advance notification of the collateral contact or home visit no longer apply when deemed necessary for the investigation of a possible overissuance. Documentation is necessary before making the collateral contact or home visit as to the information received that indicates the possibility of an overissuance. For example, after the agency approves an application, the agency may make a home visit without advance notification if an anonymous caller identified an additional household member. The investigation may be to evaluate the possibility of an overissuance that already occurred or to prevent an overissuance from occurring in the future.

Home visits deemed necessary for front-end or preventative investigations are not subject to advance notification and scheduling requirements with the household. Inconsistencies in a household's circumstances may warrant preventative investigations.

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4. Checklist of Needed Verifications

The agency must provide a checklist that informs each applying household of the verifications the agency needs to process the application and the date by which the household must provide information. The agency must provide the checklist for each new application, reapplication and recertification application filed.

B. RESPONSIBILITY FOR OBTAINING VERIFICATION (7 CFR 273.2(f)(5))

The household has primary responsibility for providing documentary evidence to support statements on the application and to resolve any questionable information. Unless verification is readily available to the household, the household is not responsible for providing verification of reported unearned income for which verification is accessible to the local agency through systems of records. These records include APECS, SVES, and the VEC inquiry of unemployment benefits. The agency should access the SDX system only as an alternate method when an applicant's Social Security Number is not available or when the SVES record is unavailable. The screener must document the case record to note why the SDX system was used and why SVES was not used.

In addition to using certain information systems to verify income, the agency must review all systems available to determine the accuracy of information presented on applications for food stamps. This screening of systems for each household member must take place before the approval of all applications. Systems that must be evaluated include those listed above and VEC for employment. The agency may need to use either the household member's name or Social Security number to conduct the screenings. The agency must resolve discrepancies noted between the completed application and automated reports before the approval of the application.

The local agency must assist the household in obtaining requested verifications provided the household is cooperating with the agency as outlined in Part II.C. Households may supply documentary evidence in person, through the mail, by facsimile or other electronic means, or through an authorized representative. The local agency may not require the household to present verification in person at the food stamp office. The agency must accept any reasonable documentary evidence provided by the household. The focus of the agency must be primarily on how adequately the verification proves the statements on the application.

Whenever a collateral contact must substitute for documentary evidence because documentary evidence is not available, the local agency must generally rely on the household to provide the name of a collateral contact. The household may request assistance in designating a collateral

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contact. The local agency is not required to use a collateral contact designated by the household if the collateral contact cannot provide accurate third party verification. When the collateral contact designated by the household is unacceptable, the local agency must ask the household to designate another collateral contact or the local agency must designate the collateral contact itself. The local agency is responsible for obtaining verification from acceptable collateral contacts.

There may be instances when outside knowledge of an application for food stamps may jeopardize the employment or safety of the applicant. For example, an employer or a migrant worker's crew leader may discourage a household's participation in the Food Stamp Program. In such instances, the agency must determine that the crew leader and/or employer are unavailable as sources of verification. The eligibility worker may contact only those persons designated as collateral contacts with the permission of the client. In the absence of documentary evidence and any other source of verification, the EW must determine the amount to use for certification purposes based on the best available information.

C. DOCUMENTATION (7 CFR 273.2(f)(6))

The EW must document case files to support eligibility, ineligibility, and benefit level determinations. The documentation must be in sufficient detail to permit a supervisor or reviewer to determine the reasonableness and accuracy of the determination. The documentation must also indicate that the agency gave the household options to which the household is entitled. Documentation includes, but is not limited to, the following:

1. The reason for withdrawal of an application, if the household provides a reason and confirmation of the withdrawal. (Part I.B.4.)
2. Details regarding refusal to cooperate. (Part II.C.)
3. The reason the agency grants or denies a request for a waiver to the office interview. (Part II.E.)
4. The reason the EW considered information questionable and the information used to resolve the questionable information. This should include an evaluation of the household's actual expenses, if allowing the utility or telephone standard causes the expenses to exceed the income. This evaluation should address if there are unreported sources of income or resources when the income is insufficient to allow the household to meet its financial obligations. (Part III.A.2.)
5. The reason the EW considered an alternate source of verification (a collateral contact or home visit) necessary. Note that in verifying residency, a collateral contact is a primary source of verification. (Part III.A.3.)

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6. The reason the EW rejected a collateral contact and requested an alternate or why the agency designated the collateral contact. (Parts III.A.3. and III.B.)
7. A statement that the use of the standard utility allowance or actual utility costs was a decision made by the household. (Part X.A.)
8. Results of record/information systems reviews for pending applications. (Part III.B)
9. An explanation as to why the household could not reasonably verify residency, e.g., the household has just recently arrived in the locality. (Part III.A.1.a.)
10. Whenever the agency must verify earned income, the EW must verify and document the rate and frequency of pay. The EW must determine the payment cycle and document on what day(s) the client receives pay and when the wages earned during a pay period are available.
11. The number of hours, period and place of employment or other activity used to regain eligibility for the work requirement. (Part XV.C.)

D. VERIFICATION AT RECERTIFICATION (7 CFR 273.2(f)(8))

At recertification, the agency must verify earned income or a change in unearned income or actual utility expenses if the source has changed or the amount has changed by more than \$25. The agency must verify medical expenses reported at recertification and those expenses the household reasonably anticipates to incur during the certification period. The agency must verify changes in the amount of legally obligated child support a household member pays to a nonhousehold member. The household may not receive a deduction for unverified medical expenses and child support payments. The agency must not verify unearned income or actual utility expenses claimed by households that are unchanged or have changed by \$25 or less, or other unchanged expenses, unless the information is incomplete, inaccurate, inconsistent or outdated. The agency must verify all eligibility factors at least once in a 12-month period.

The agency may verify changed information not addressed above at recertification. The agency must not verify unchanged information unless the information is incomplete, inaccurate, inconsistent or outdated.

In addition to the verification requirements for recertification applications, the EW must monitor all available information systems for all household members as addressed in Part III.B.

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Households must supply requested verifications to allow the EW to anticipate income and expenses properly for the new certification period. Generally, the EW must request information from the month before the last month of certification. For households that file recertification applications after the certification period ends or in the month before the last month of certification, the EW must request verification that reasonably will reflect the first month of the new certification period.

The following chart lists items the EW must verify at recertification.

Verification at Recertification

Earned Income	Verify amount
Unearned Income	If source changed or amount changed by more than \$25, verify
Medical Expenses for Household Member(s) Eligible for Medical Deductions	Verify reported expenses and expected expenses in the certification period
Actual Utility Expenses for Households Opting to Use Actual Expenses	If source changed or total amount changed by more than \$25, verify
Dependent Care Costs	If source changed or amount changed, verify.
Shelter Costs Other Than Utilities.	If source changed or amount changed, verify.
Child Support Expense	If obligation changed, verify new obligation. Verify amount paid.

In addition to the items above, the agency must verify the following items:

- ♦ Change in alien status
- ♦ Change in loans;
- ♦ Change in resources
- ♦ Newly acquired resource
- ♦ Change affecting entitlement to utility and/or telephone standard;
- ♦ Questionable information, as defined in Part III. A.2.;
- ♦ Identity of person filing recertification if this person's identity had not previously been verified;
- ♦ Change in residence.
- ♦ Any incomplete, inaccurate, inconsistent or outdated item.

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E. INCOME ELIGIBILITY VERIFICATION SYSTEM (IEVS) (7 CFR 273.2(f)(9))

The Income Eligibility Verification System (IEVS) provides information by running matches of the client population against the files of other state and federal agencies. These include:

- the Social Security Administration for earnings information from the Benefit Exchange Earnings Records (BEERS);
- the Virginia Employment Commission for new hire information; and
- the Internal Revenue Service for unearned income, such as interest (RES).

The purpose of the matches is to determine whether available information is known to local social services departments.

Information from IEVS matches is considered unverified. Prior to taking action to terminate, deny or reduce benefits, agencies must independently verify the amount of the asset or income involved, and whether the asset or income is or was accessible to the household.

The agency must obtain independent verification of information obtained from IEVS by contacting the household and/or the appropriate source of the income or resource. If the agency opts to contact the household, the contact must be in writing, informing the household of the information received, and requesting that the household respond within 10 days. If the household fails to respond in a timely manner, the agency must send an advance notice to terminate the case. The agency may contact the appropriate source of the information. Once independent verification is provided, either by the household or source, the agency must properly notify the household of the action it intends to take and provide the household with an opportunity to request a fair hearing prior to any adverse action.

PART IX

RESOURCES

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A. RESOURCES (7 CFR 273.8)

Only liquid assets will count in determining the eligibility of households.

Households must report all countable resources held by its members at the time of application and any the members expect to receive during the certification period. The eligibility worker must document the assets in sufficient detail to permit verification, if needed. The household's resources at the time of the interview will determine whether or not the assets are below the maximum allowable resource limit.

B. RESOURCE LIMITS

The household's total nonexempt resources (liquid and nonliquid) may not exceed:

- \$3,000 if the household has at least one member who is 60 years of age or older or a member who is disabled, as defined in Definitions.
- \$2,000 if the household does not have a member who is 60 years of age or older or one who is disabled, as defined in Definitions.

The resource limits do not apply to categorically eligible PA households or members. See Part II.H.3.

C. NONEXEMPT RESOURCES

Resources used to determine eligibility include:

1. Liquid assets, such as, but not limited to:

- a. Cash on hand.
- b. Money in accounts. "Account" means a contract of deposit of funds between a depositor and a financial institution. This includes checking accounts, savings accounts, certificates of deposit, share accounts (i.e., credit union accounts), or like arrangements.
- c. Stocks or bonds.
- d. Lump sum payments, such as income tax refunds, rebates or credits, lump sum insurance settlements, refunds of security deposits on rental property or utilities, retroactive lump sum SSA, Public Assistance, Railroad Retirement benefits, or other payments.

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Lump sum payments also include gambling winnings, and accumulated vacation or sick pay of terminated employees received in one installment.

- e. Funds in a trust or transferred to a trust except as stated in Part IX.E.12.e.
- f. Funds held in individual retirement accounts (IRA), Simplified Employer Pension Plans (SEP) or KEOGH plans that do not involve the household member in a contractual relationship with individuals who are not household members. The countable amount of the IRA, SEP or includable KEOGH plan will be the total cash value of the account or plan, minus the amount of penalty (if any) that would be exacted for the early withdrawal of the entire amount in the account or plan.

KEOGH plans that involve more than one person will normally not count as a resource because they involve the "contractual relationship with other individuals" as stated in Part IX.C.1.f. However, if the KEOGH plan will allow individual participants to make withdrawals without affecting the other parties in any way, then the household member's funds in the KEOGH will count as a resource. Also, if all parties in this type of KEOGH plan are members of the same food stamp household then the KEOGH will count as a resource.

- g. After the month of receipt and following months have passed, earned income tax credits whether received as a tax refund or periodically throughout the year. (Such payments are excluded as a resource for the month of receipt and the following month.) (Admin Notices A-15-89 and A-19-91)

NOTE: When determining the amount of nonexempt liquid resources to count, especially bank accounts, do not consider any amount that would count as income for the same month.

Example

An applicant claims he deposited his Social Security check into a checking account. The bank statement lists a deposit equal to the applicant's check, the portion of the checking account. The resource amount of the checking account would be the account balance minus the amount of the deposit.

Presume that joint bank accounts, i.e., Part IX.C.1.b above, belong to the parties in proportion to their net contributions during the lifetime of all parties. A joint account between persons married to each other belongs to each party equally (half and half) however.

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Except for persons married to each other, each party's net contribution to the account may be established by signed statements from all parties.

If the parties can establish that they intended a different ownership arrangement, then that ownership arrangement prevails over the above presumption.

Example

A food stamp client's name is listed on her elderly mother's savings account. Both the client and her mother sign statements that the client has not contributed any money to the account. The account is not a resource to the client.

If parties married to each other are divorced by final decree, ownership of a joint account is proportional to their net contributions unless the divorce decree specifies otherwise.

2. That portion of the **liquid** resources of an alien's sponsor and the sponsor's spouse (if living with the sponsor) deemed to be those of the alien according to procedures established in Part XII.C.2.

D. EXEMPT RESOURCES

Resources that will not count in determining eligibility include:

1. Real property, regardless of acreage.
2. Mobile homes, regardless of lot ownership.
3. **Vehicles.**
4. Household goods, such as furniture and appliances, and personal effects, such as clothing and jewelry. All tools are exempt, whether or not they are essential to the employment or self-employment of a household member.
5. Burial plots. In addition, the value of bona fide funeral agreements is exempt.
6. Cash value of life insurance policies.
7. Funds in pension or retirement plans, as long as the funds are not withdrawn. These plans may include 401(k), 403(b), 501(c)(18) and KEOGH plans that involve an obligation with someone outside of the

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food stamp household. Funds withdrawn at the time of retirement count as income.

The following plans are not exempted from consideration; they are countable resources: KEOGH Plans where there is no contractual relationship with individuals outside of the food stamp household; Individual Retirement Accounts (IRA); and Simplified Employer Pension Plans (SEP). See Part IX.C.1.f to determine the countable value.

8. The contract amount for land, buildings, and vehicles, sold on an installment basis.

Examples

- a. An applicant sells a piece of land for \$3,000. The applicant continues to hold the deed while the buyer pays \$100 per month. The \$3,000 selling price is exempt, but the \$100-payment counts as income.
 - b. An applicant sells a car for \$1,900 (which is its "Blue Book" value), but continues to hold title to the car while the buyer pays \$75 per month. The monthly payment of \$75 will count as income.
9. Resources whose cash value is not accessible to the household, such as, but not limited to:
- a. Security deposits on rental property or utilities.
 - b. Property in probate. For example, any property inaccessible to the household until there is a judicial determination concerning the validity of a will.
 - c. Some profit sharing programs. For example, a program that makes money available to the employee only when necessary to allow the employee to pay excessive medical expenses is exempt.
 - d. Irrevocable trust funds. These are any funds in a trust or transferred to a trust, and the income produced by that trust to the extent that it is not available to the household provided that the following four criteria are met:
 - 1) The trust arrangement is not likely to cease during the certification period and no household member has the power to revoke the trust arrangement or change the name of the beneficiary during the certification period;

- 2) The trustee administering the fund is either:
 - a) A court, or an institution, corporation, or organization which is not under the direction or ownership of any household member; or,
 - b) An individual appointed by the court who has court imposed limitations placed on the use of the funds which meet the requirements of this chapter;
- 3) Trust investments made on behalf of the trust do not directly involve or assist any business or corporation under the control, direction, or influence of a household member; and,
- 4) The funds held in irrevocable trust are either:
 - a) Established from the household's own funds, if the trustee uses the funds solely to make investments on behalf of the trust or to pay the educational or medical expenses of any person named by the household creating the trust, or
 - b) Established with funds of a person outside the household.

If the trust arrangement does not meet the four conditions listed above, the household must initiate court action to establish inaccessibility within the application processing timeframes for determining eligibility. Until the court renders a decision, the trust is available to the household.

10. Governmental payments designated for the restoration of a home damaged in a disaster, if the household is subject to legal sanctions in the event the funds are not used as intended. These types of payments include:
 - a. The Department of Housing and Urban Development or through the Individual and Family Grant Program.
 - b. The Small Business Administration as disaster loans or grants.
11. Resources that have been prorated as income for self-employed persons will not count as a resource. This includes profits from the annual sale of crops.

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12. Resources of nonhousehold members, including ineligible students.
See Part VI.C.1 for a list of these persons. The resources of disqualified household members will count however. (See Parts VI.C.2 and XII.E.)
13. Resources excluded by law. (Admin. Notice A-39-97). This includes:
 - a. Benefits received from the supplemental food program for Women, Infants and Children, commonly known as the WIC program (P.L. 100-435).
 - b. Reimbursements from Title II of the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970. (P.L. 91-646, Section 216).
 - c. Earned income tax credits excluded as follows:
 1. Federal earned income tax credits received as a lump sum or as payment for the month of receipt and the next month.
 2. Federal, state or local earned income tax credits for 12 months from receipt if the individual receiving the tax credit was participating in the Food Stamp Program when the tax credit was received and provided that the household continuously participates during the 12-month period. In determining the 12-month period, temporary breaks of one month or less will not be considered as nonparticipation.
 - d. Payments for meals for children or adults on whose behalf the payment is made through the Child and Adult Care Food Program, Section 12(3) of the School Lunch Act.
 - e. Energy Assistance payments, including payments from the Low Income Home Energy Assistance Program (i.e., the Virginia Fuel Assistance Program), CSA payments, HUD and FmHA utility reimbursements. (P.L. 99-425).
 - f. Financial assistance from a program funded in whole or in part under Title IV of the Higher Education Act and the Bureau of Indian Affairs, as amended. Exclude also any money incurred or issued through the U.S. Department of Education or received under the Carl D. Perkins Vocational and Applied Technology Education Act (P.L. 99-498 and 100-50).
 - g. Payments to certain U.S. citizens of Japanese ancestry and resident Japanese aliens and certain Aleuts, under the Wartime Relocation of Civilians Act (P.L. 100-383).

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- h. Payments from the Agent Orange Settlement Fund or any other fund established for settlement of Agent Orange product liability litigation. (P.L. 101-201 and 101-239).
- i. All compensation from the Alaska Native Claims Settlement Act and amendments (P.L. 92-203 and 100-241).
- j. Payments authorized under the Disaster Relief Act of 1974, as amended (P.L. 100-707) and the Disaster Relief and Emergency Assistance amendments of 1988. The President must declare the disaster or emergency. This exclusion applies to federal payments and comparable disaster assistance provided by States, local governments and disaster assistance organizations.

Most Federal Emergency Management Assistance (FEMA) funds are excluded, but payments made when there is no declared disaster or emergency, such as rent assistance for a homeless household, are not excluded.

- k. The following payments to or land of Indian tribes:
 - Indian land held jointly with the tribe or land that can be sold only with the approval of the Department of the Interior's Bureau of Indian Affairs.
 - Payments under the SAC and Fox Indian claims agreement (P.L. 94-189).
 - Payments received by certain Indian tribal members for submarginal land held in trust by the United States (P.L. 94-114, Section 6).
 - Payments received from the disposition of funds to the Grand River Band of Ottawa Indians (P.L. 94-540).
 - Payments received by the Confederate Tribes and Bands of Yakima Indian Nation and the Apache Tribe of the Mescalero Reservation from the Indian Claims Commission (P.L. 95-433, Section 2).
 - Payments from the Maine Indian Claims Settlement Act of 1980 to the Passamaquoddy Tribe, the Penobscot Nation, and the Houlton Band of Maliseet (P.L. 96-420, Section 9c).
 - Payments of relocation assistance to members of the Navajo and Hopi Tribes (P.L. 93-531, Section 22).

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- Per capita interests in trust or restricted lands under the Indian Tribal Judgment Fund Use (P.L. 93-134 and 97-458).
 - Payments to the Chippewa Tribes: Turtle Mountain, Red Lake, Mississippi, Lake Superior, Saginaw or White Earth (P.L. 97-403, 98-123, 99-146, 99-264, 99-346, and 99-377).
 - Payment to the Blackfeet, Grosventre, and Papago Tribes (P.L. 97-408).
 - Payments to the Assiniboine Tribes (P.L. 98-124, Section 5 and 97-408).
 - Payments to the Seneca Nation (P.L. 101-503).
 - Payments to the Puyallup Tribe (P.L. 101-41).
 - Payments, except for per capita payments over \$2000, to the Seminole Nation of Oklahoma, the Seminole Tribe of Florida, and the Miccosukee Tribe of Florida and the independent Seminole Tribe of Florida (P.L. 101-277).
 - Payments made under the Confederated Tribes of the Colville Reservation Grand Coulee Dam Settlement Act (P.L. 103-436).
- l. Resources of SSI recipients. The agency does not need to make a separate evaluation for resources for food stamps for a household in which all members are SSI recipients. The agency must evaluate the resources of household members who do not receive SSI.
- Resources of TANF recipients. The agency does not need to make a separate evaluation for resources for food stamps for a household in which all members receive TANF income or any member receives a TANF-funded service. See PA Case in Definitions for the TANF Program requirements.
- m. Amounts paid to individuals under the Radiation Exposure Compensation Act for injuries or death resulting from exposure to radiation from nuclear testing and uranium mining in Arizona, Nevada and Utah (P.L. 101-426).
- n. Payments to individuals because of their status as victims of Nazi persecution (P.L. 103-286).

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- o. Payments through the Department of Veteran Affairs to children of Vietnam veterans who are born with spina bifida (P.L. 104-204).
 - 14. HUD retroactive tax and utility cost subsidy payments issued pursuant to the settlement of Underwood v. Harris, for the month in which payment was received and the following month.
 - 15. Resources under a lien.
 - 16. Money in individual development accounts (IDA). These exempt funds may be in the form of a trust, trust account or a custodial account. The owner of the account must be a current or former TANF recipient or one who is ineligible for TANF as long as the person's income is less than 200 percent of the federal poverty guidelines. Funds in the account are exempt as long as they are not withdrawn. The account will remain exempt if the household withdraws the funds and uses the money to pursue post-secondary education, to purchase a house, to start a business or to meet an emergency need approved by the sponsoring agency. In Virginia, the accounts are called the Virginia Individual Development Account (VIDA) and Assets for Independence Account (AFIA).
 - 17. Money in an escrow account established by the Family Self-Sufficiency Program through the U.S. Department of Housing and Urban Development.
- E.** HANDLING OF EXEMPT FUNDS (7 CFR 273.8(f))
- 1. Exempt funds kept in a separate and identifiable account from nonexempt funds remain exempt as a resource for an unlimited time.
 - 2. Exempt funds kept in an account along with other nonexempt funds remain exempt for six months from the date the funds are commingled. After six months from the date the funds are commingled, all funds in the commingled account shall be counted as a resource.

Example

A two-person household has a savings account with a balance of \$900. The household receives a payment of \$1,200 from the Individual and Family Grant Program (IFG) in January. If the household places the IFG funds in a separate and identifiable account, the IFG funds will remain exempt indefinitely. If the household deposits these funds in the savings account containing \$900, however, the IFG funds will remain exempt for only six

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months from the date they are commingled with the nonexempt funds. Therefore, if the funds are commingled in January, the total amount in the account as of July will count towards the resource level.

3. Funds exempted under Part IX.D.11 will retain the exemption as a resource for the full period over which they have been prorated as income, even if commingled with nonexempt funds.

Example

A self-employed farmer receives a \$1,000 payment that is prorated as income over 10 months. This money is deposited in the household's regular checking account with other nonexempt funds. Any portion of the payment that remains in the checking account will be exempt as a resource for the full 10-month period over which the income is prorated. After the 10-month period, any part of the payment remaining in the account with the nonexempt funds will count a resource.

4. Where a resource is exempt because of its use by or for a household member, the exemption will also apply when the resource is used by or for a disqualified person whose resources count as part of the household's resources. This could include the work-related equipment essential to the employment of an ineligible alien household member or disqualified person, as allowed under Part IX.D.4, or burial plots for ineligible alien or disqualified household members, as allowed under Part IX.D.5.

G. TRANSFER OF RESOURCES (7 CFR 273.8(i))

At the time of application, households must provide information about any resources transferred during the three-month period immediately preceding the date of application. The EW must assess any resource transfer by a household member or disqualified person whose resources count to the household. If resources have knowingly been transferred during this period in order to qualify or attempt to qualify for food stamp benefits, the household will be disqualified from participation in the program for up to one year from the date of discovery of the transfer.

Example

A client transferred resources on November 20 to be eligible for food stamps. The household filed an application the following February 21. Since the transfer occurred more than three months before the application date, there would be no disqualification because of the transfer.

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Disqualification will also apply if the household acquires resources after being certified and then knowingly transfers the resources to avoid going over the maximum resource limit.

The following transfers will not affect eligibility:

1. Resources that would not affect eligibility; e.g., exempt personal property such as furniture, or nonexempt funds, such as money that, when added to other household nonexempt resources, totals less at the time of transfer than the resource limit.
2. Resources transferred between members of the same food stamp household, including ineligible aliens and disqualified persons whose resources count to the household.
3. Resources transferred for reasons other than qualifying for Food Stamp benefits. For example, a parent placing funds into an educational trust fund.

If the local agency establishes that an applicant household knowingly transferred resources to qualify for or to attempt to qualify for food stamp benefits, the EW must send the household the Notice of Action to deny the application. The notice must explain the reason for denial and the length of the disqualification. The disqualification period will begin in the month of application. If the household is participating at the time the transfer is discovered, the EW must send an Advance Notice of Proposed Action or Notice of Action to explain the reason for closure and length of disqualification. The disqualification period will be effective with the first allotment to be issued after the advance notice period has expired, unless the household has requested a fair hearing and continued benefits.

If the agency learns that the person who transferred the resources that resulted in disqualification left the household, eligibility for remaining household members can be determined without regard to the rest of the disqualification period. The disqualification period will follow the member who improperly transferred the resources however.

Example

A nine-month disqualification is imposed on January 3 for the period January through September. The household reapplies June 12, and the member who transferred a bank account is no longer a household member. Eligibility for the rest of the household can be evaluated from the date of the reapplication on June 12.

The length of the disqualification is based on the amount by which nonexempt transferred resources, when added to other nonexempt resources, exceed the allowable resource limit.

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Example

A household has **\$3,400** in a savings account. In an attempt to become eligible for food stamps, the household transferred **\$1,500 from the bank account to someone outside the food stamp household.** The resource limit for this household is \$2,000; therefore, the amount of the transferred resource used in determining the length of the disqualification period will be **\$1,400.00.**

The following chart will be used to determine the disqualification period:

Amount in Excess of the Resource Limit	Period of Disqualification
\$.01 to \$249.99	1 month
\$250 to \$999.99	3 months
\$1000 to \$2999.99	6 months
\$3000 to \$4999.99	9 months
\$5000 or over	12 months

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C. ADVANCE NOTICE OF PROPOSED ACTION

The household must receive written notice prior to any action to reduce or terminate benefits within the certification period. The advance notice period is 10 days and begins with the day following the date the notice is given or mailed to the household.

The agency may the Notice of Action for this purpose, unless benefits in both TANF and Food Stamps are being reduced or terminated simultaneously. In that case, use the Advance Notice of Proposed Action. Both forms and instructions are in Part XXIV. The Appeals and Fair Hearings pamphlet must be provided if computer-generated versions of the forms are used.

The following chart indicates which IEVS or other matches or inquiries require independent verification before advance notice can be sent:

<u>Source</u>	<u>Independent Verification?</u>
Virginia Employment Commission (VEC) Unemployment Benefits	No
VEC-Earnings	Yes
BENDEX - OASDI Benefits	No
SDX - SSI Benefits	No
Internal Revenue Service - Unearned Income	Yes
BEERS - Earned Income	Yes
Social Security Number Match	No
Operation Talon (a match with law enforcement agencies to detect fleeing felons or parole/ probation violators)	No
SVES:	
Work credits/quarters	No
Prisoner files	Yes
Unearned income received through SSA	No

Neither an advance notice nor an adequate notice is necessary when (7 CFR 273.13(b)):

1. All members of the household have died.
2. The household has moved from the locality, except in those situations where the agency opts to retain the case according to Part XIV.A.7.
3. Restoration of benefits is complete and the household had previous notification when the increased allotment would terminate.
4. Allotment fluctuates monthly due to anticipated changes and the household had prior notice at the time of certification.
5. Simultaneous applications were made for TANF/GR and food stamps and the household was notified that receipt of financial assistance could reduce the benefit level.
6. A household is given a normal certification period under expedited service contingent on the receipt of postponed verification, provided the household receives written notice that benefits may be reduced or terminated upon receipt of the postponed verification or if verifications postponed are not received.
7. A household's benefits were increased based on a reported change and are decreased to the original amount when no verification is received, as long as the household was advised at the time of the increase. (See Part XIV.A.2.)
8. All members have moved into an institution that does not meet the requirements of Part VII.C.1a-d.
9. The household voluntarily requests to end its participation in the Food Stamp Program or requests to end Transitional Benefits and makes the request in writing or in the presence of an EW. If the household does not provide a written request, the local agency must send the household a letter to confirm the voluntary withdrawal.
10. A participating household fails to respond to a demand letter requesting repayment of a claim and benefit reduction is invoked.
11. The household fails to return a completed Interim Report provided the agency mailed the household an *Interim Report Form - Request for Action* form and another Interim Report or the original incomplete form.

In instances where the agency does not need to send a notice if the household had prior notice of the change, the agency must send an advance notice if the household did not receive a notice.

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K. STATISTICS AND REPORTING

Local agencies operating the FSET Program must provide program statistics. The information must be reported on the FSET Statistical Report Form. An original copy of this form is to be mailed to:

VA Department of Social Services
Division of Finance
7 N. Eighth Street
Richmond, VA 23219

The local agency should maintain a copy of the completed form. The form must be mailed so that it is received by the Division of Finance by the tenth calendar day after the close of the report month. Questions about the form may be directed to the Division of Finance at (804) 692-1320.

L. LOCAL FOOD STAMP EMPLOYMENT AND TRAINING PLAN

Each Local Agency must submit an annual FSET Plan to the State Department of Social Services by July 1st of each year. The plan must describe the locality's FSET program and must follow the following format:

1. Intent of the FSET program in the locality.
2. A numerical description of the FSET population.
 - a. ABAWDS - persons who are eligible for time-limited benefits through the Work Requirement
 - b. Non ABAWDS - persons exempted from the Work RequirementSee Part XV for the discussion of the Work Requirement.
3. The employment needs of the population.
4. Information regarding local labor market trends.
5. The number of workers with FSET duties.
6. The locality's budget for the FSET program. **This is the total FSET allocation broken down into the areas where the money will be spent. This may include salaries, fringe benefits, purchases, contractual costs, etc.**
7. A plan of participation by component.
8. A detailed description of the local agency's Standard Operating Procedures that addresses these elements:

a. Referral and Case Opening Procedures

1. The procedure by which a potential participant is referred.
2. The steps for opening a case once it has been referred and the time frame by which this must be done.

b. Assessment Procedures

1. Describe what will be used to identify and evaluate the participant's occupational skills, strengths, and weaknesses. Describe how this information will be used to assess immediate employability.
2. Describe procedures for conducting educational tests and assessments. Include the following in the description of the procedures:
 - Assessment tools that will be used
 - Types of tests to be used
 - Criteria for determining who should be tested
 - Incorporation of test results into case records
 - Staff responsible for conducting assessment
 - Referral procedures if test and assessments are conducted outside of the agency
3. Describe how assessment information of other agencies will be integrated with the FSET assessment. Other agencies include DRS, VEC, and Mental Health.

c. Component Assignment

1. Describe how program components are assigned.
2. Describe the locality's approach to developing and maintaining a current list of local providers for each component.
3. Describe how the agency monitors component activities and evaluates them for effectiveness.

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